Supreme Court, U.S
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No. 01-368

In The

Supreme Court of the United States

GARY SADERUP, an individual, and
GARY SADERUP, INC., a California corporation,

Petitioners,

v.

COMEDY III PRODUCTIONS, INC.,
a California corporation,

Respondent.

On Petition For A Writ Of Certiorari To The Supreme Court Of California

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

1. Is there any constitutional infirmity with a state statute that prevents a business from selling products for profit using the images of deceased celebrities without the permission of the celebrities' heirs?

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of this Court, Respondent, Comedy III Productions, Inc., a California Corporation, states that subsequent to the trial in this matter Respondent merged into a Delaware Corporation now called C3 Entertainment, Inc., which is a privately held company and has no parent corporation.

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STATEMENT OF THE CASE

The Respondent, Comedy III Productions, Inc., was a California corporation formed in 1959 by the last configuration of the famous comedy team known as The Three Stooges, Larry Fine, Moe Howard, and Curly Joe DeRita.[1] Larry Fine and Moe Howard died in Los Angeles, California in 1975, and Curly Joe DeRita died in Los Angeles in 1993. Today, the successor-in-interest of the original Comedy III Productions, Inc., C3 Entertainment, Inc., a Delaware corporation, is owned 100 percent by the heirs of The Three Stooges. Respondent is the owner of all rights to The Three Stooges property including the right of publicity codified in former Section 990 of the California Civil Code.[2]

Respondent properly registered its ownership of the images of The Three Stooges with the California Secretary of State as required under Section 990(f)(2) of the California Civil Code. Subsequent to that registration, Respondent discovered that Petitioners, Gary Saderup and Gary

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[1] Comedy III Productions, Inc., was similar in nature, albeit on a much smaller scale, to Apple Corporation, which was formed by the Beatles during the time they were performing to handle their business affairs. See, e.g., *Apple Corp., Ltd. v. Button Master*, 47 U.S.P.Q.2d 1236 (E.D.Pa. 1998), where the court held that there was no issue of material fact as to Apple's ownership of the right of publicity of the Beatles or as to defendant's appropriation of the Beatles' valuable likeness for commercial advantage.

[2] As Petitioners point out, since this case arose, the statute has been renumbered, with amendments, as Cal.Civil Code Section 3344.1. As do Petitioners, Respondent will refer throughout to Section 990 in the present tense.

Saderup, Inc., were selling T-shirts and posters[3] bearing the images of The Three Stooges out of a temporary store in the Glendale Galleria, a large shopping mall located in a Los Angeles suburb.

A complaint was filed under California Civil Code Section 990 in the California State Court. When the matter was called to trial, a jury was waived and the following were stipulated to by the parties:

(1) The sketches, lithographs and T-shirts contained the likeness of The Three Stooges.

(2) All sales by the Defendants of sketches, lithographs or T-shirts were made without a license from the plaintiff.

(3) The defendants engaged in the selling of T-shirts bearing the likeness of The Three Stooges.

(4) The defendants engaged in the selling of lithographs bearing the likeness of The Three Stooges.

(5) The Three Stooges are deceased celebrities within the meaning of Civil Code Section 990.

(6) The T-shirts and lithographs bearing the likeness of The Three Stooges did not constitute an advertisement or endorsement or sponsorship of any particular product.

(7) If Mr. Saderup were called to testify, he would testify as follows: He is an artist with over 25 years experience doing charcoal sketches of celebrity subjects. His charcoal sketches are used as the basis for creation of lithographic

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[3] Petitioners have consistently referred to their posters as "lithographs." There is no substantive difference between a poster and a lithograph as those terms are used in this matter.

and silk screen masters, which are then used to mechanically produce multiple reproductions of the sketches. He actually creates the charcoal sketches, and is involved in the silk screening and lithographic process.

(8) The silk screening and lithographic processes used by Mr. Saderup are commonly used in the graphics industry to create images on T-shirts and to create lithographic prints.

(9) Comedy III Productions, Inc., is the owner of the rights to The Three Stooges.

(10) The Defendants' profit from the sale of the unlicensed lithographs and T-shirts are $75,000.

(11) Each side has incurred attorney's fees to date in the sum of $150,000.

(12) Those attorney's fees are reasonable fees for purposes of the court's determination of the award of reasonable fees.

Based on these stipulations, the trial court found for Respondent and entered judgment in accordance with the stipulations, awarded attorney's fees to Respondent pursuant to Section 990(a), and issued a permanent injunction. The California Court of Appeal struck the injunction as not necessary but otherwise affirmed the trial court in full. The California Supreme Court affirmed the Court of Appeal, and the matter was remitted to the trial court. The trial court then augmented the award of attorney's fees for Respondent pursuant to the statute in the amount of $80,000.

REASONS FOR DENYING THE PETITION

Petitioners are asking for nothing less than to have this Court declare that anyone who can press a button on an automatic camera and take a photograph of any celebrity may place the celebrity's photograph on merchandise and sell the merchandise without the consent of the celebrity or without the need to pay any royalties to the celebrity or the celebrity's heirs for use of the celebrity's image. The fact that the images in this matter were not photographs but were charcoal drawings is irrelevant as the Petitioners point out at length.[4]

Petitioners' Brief makes an express argument on behalf of the *paparazzi*. "A professional photographer who takes a photo of a celebrity thus may well be unable to sell copies of that photo (unless the celebrity has been dead for 70 years)." (Petitioners' Brief at p. 22, footnote omitted.)[5] The Petitioners' Brief also mentions the photo-stock-house industry "whose business is the sale of photos – the subjects of which often include celebrities . . . " Petitioners claim such a business could be at risk. (Petitioners' Brief at pp. 22-23 footnote omitted.) To quote the Petitioners' Brief: "Why would that be a bad result?" (Petitioners' Brief at p. 25 n.34.) What Petitioners are arguing for is virtually the complete confiscation of a

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[4] Civil Code Section 990(a) specifically applies to photographs. See also, *Newcombe v. Adolf Coors Co.*, 157 F.3d 686 (9th Cir. 1998).

[5] The fact that during the pendency of the appeal of this matter the California Legislature increased the length of protection for the right of publicity for deceased celebrities from 50 years to 70 years was never and is not now an issue.

property right belonging to celebrities and celebrities' heirs and transferring that property right to another group of people who happen to come into the possession of a photograph or drawing of a celebrity. Petitioners claim the First Amendment as justification for this confiscation. Petitioners want to appropriate for themselves something that does not belong to them and that is the economic value of the images of The Three Stooges.

Petitioners do not make a very convincing case as to why celebrities or celebrities' heirs should be less deserving of this property right than the *papparazzi* or as in this matter a businessman such as Petitioner, Gary Saderup. More importantly, Petitioners do not make a very convincing case as to why such an issue does not belong in the political arena. Petitioners try to create a constitutional issue that even upon the most superficial examination of the facts of the matter is revealed to be nonexistent in light of the decision by the California Supreme Court. Petitioners' contentions were rejected by the trial court and rejected by the California Court of Appeal. Petitioners garnered little support for their radical arguments in the California Supreme Court,[6] and their arguments were rejected by the California Supreme Court in a unanimous opinion. The fact of the matter is that

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[6] The only *amicus* brief filed in support of Petitioners was written by a law professor from a local law school and even there he only supported Petitioners with respect to the posters. The one *amicus* brief filed on behalf of Petitioners agreed with Respondent's position with respect to the T-shirts. Respondents, on the other hand, received substantial *amicus* support including the Screen Actors Guild, the American Intellectual Property Law Association, and the estates of numerous celebrities.

what Petitioners are suggesting is absurd, and Petitioners' contentions should not take up any more of this Court's valuable time.

Petitioners' products were not "portraits" and what is involved is not "visual art." There is no evidence that Petitioner, Gary Saderup, is a "portrait artist" or an "artist" at all as Petitioners are using that term. Even if Mr. Saderup were an "artist," that fact would be irrelevant to any issue in this matter.[7] What is relevant is what was offered for sale by Petitioners. Petitioners had a chance in the trial court to present evidence to a jury with respect to what was being sold by Petitioners. Had the issue been presented, the jury could have decided whether or not the public was buying Petitioners' merchandise because of Mr. Saderup's charcoal drawings or because the purchasers simply wanted a picture of The Three Stooges.[8] Petitioners did not present this issue to a

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[7] The California Supreme Court opinion does assume that Mr. Saderup is an "artist." As the California Supreme Court opinion points out, the fact that the merchandise is of high quality is not the point.

[8] "Fans buy a T-shirt that depicts Shaquille O'Neal because they want a 'Shaq' T-shirt; a shirt depicting another basketball player will not do." Langvardlt, *The troubling implications of a right of publicity 'wheel' spun out of control*, 45 U.Kan.L.Rev. 329, 345 (1997). As a matter of fact Respondent's original co-plaintiff in this matter was in fact Shaquille O'Neal who was suing Petitioners for also selling without a license products using Mr. O'Neal's image under Civil Code Section 3344, the counterpart to Civil Code Section 990 for living celebrities. Mr. O'Neal settled with Petitioners in the trial court. The author of the quoted law review article did not state that people buy "Shaq" T-shirts because of the "artist" who drew Shaq's picture or the photographer who took the picture of Shaq on the T-Shirt.

jury because it was obvious that no one bought anything from Petitioners because of Petitioners' charcoal drawings. The merchandise would have sold just as well if any competent graphic artist had drawn the pictures of The Three Stooges on the T-shirts and posters.[9] Petitioners' only claim to fame is this case itself.[10]

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[9] In fact, Respondent licenses numerous products including T-shirts and posters using the images of The Three Stooges.

[10] Throughout Petitioners' brief, and as Petitioners have done throughout this entire matter, Mr. Saderup is referred to as a "portrait artist" and his charcoal drawings as "portraits." What Mr. Saderup does is described as "visual art", "representational art", "vivid portraits", etc. Mr. Saderup's hyperbole invites an examination based upon the actual facts as developed by the record and stipulations. The stipulated facts do not support Mr. Saderup's characterization of himself or what he does. The reality is that Mr. Saderup is a businessman who makes simple charcoal drawings of celebrities, places the drawings on merchandise such as T-shirts and posters, and makes a large profit from such an endeavor because he does not have to obtain any permission to use the images or pay any royalties to the celebrities whose images he sells. Who are the real "artists"? Are the "artists" celebrities, such as The Three Stooges, whose images are known the world over and of great economic value, or is the "artist" a businessman, such as Petitioner, who simply places celebrity drawings through a silk screen process on T-shirts in order to sell the products to the fans. If people wanted to buy something that only Mr. Saderup could produce, then there would be no purpose in this lawsuit as the heirs could not reproduce the products without Mr. Saderup. In fact, what people are buying is the goodwill, artistry, reputation, and other positive attributes of the celebrities whose images appear on Petitioners' products. There is no evidence that Petitioners play any relevant role in that process.

There is nothing unconstitutional per se about a state protecting the property rights of its citizens. The right of publicity is a form of intellectual property that is no more repugnant to the First Amendment than is the law of trademark, copyright, or patent. All of these legal doctrines directly affect a person's ability to write, speak, or create something. Likewise, the right of publicity no more offends the First Amendment than does the law of defamation, which limits what a person can say or write under certain circumstances, or the law of misrepresentation, which requires a person to say or write things that are true and not cause someone else to rely upon an untrue statement to the person's injury. To be sure, all of these legal doctrines have recognized the First Amendment as a defense under appropriate circumstances, see, e.g., *New York Times Co. v. Sullivan*, 376 U.S. 254, 85 S.Ct. 710 (1964). That is why the California Supreme Court recognized a defense based upon the First Amendment to a right of publicity claim. The defense that the California Supreme Court recognized requires a determination as to whether or not the offending work is "transformative." As the California Supreme Court explained, "when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interests protected by the right of publicity." (Petitioners' Appendix at A-25.)

California Civil Code Section 990 does not apply to most uses of a celebrity's image where there could be a First Amendment concern. Civil Code Section 990(n)(1) states that the statute does not apply to a play, book, magazine, newspaper, musical composition, film, radio or

television program. The statute even permits an advertisement or commercial announcement using a celebrity image for a use permitted by the statutory exceptions.[11] Civil Code Section 990(n)(2) exempts material that is of political or newsworthy value and Section 990(n)(3) exempts single and original works of fine art. Thus, Petitioners can write a play about The Three Stooges, write a book about The Three Stooges, write a magazine article, print a story in a newspaper, compose a musical composition, produce a film, radio show, or television program and even advertise such programs. Petitioners may say whatever they care to say about The Three Stooges and

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[11] In *Astaire v. Best Film & Video Corp.*, 116 F.3d 1297 (9th Cir. 1997), the court examined the legislative history of Civil Code Section 990 and noted that it was intended to address circumstances in which commercial gain is had through the exploitation of the identity of a celebrity in the marketing of goods or services, which goods or services typically involve the use of a deceased celebrity's name or likeness on posters, T-shirts, and other merchandise. 116 F.3d at 1303 (quoting Staff of Assembly Committee on Judiciary, 1983-84 Reg. Sess., Report on S.B. 613 (Campbell), as amended 6-12-84). The Plaintiff in *Astaire* alleged the defendants' use of film clips of Fred Astaire in the opening of a commercial home video violated Section 990(a). The Ninth Circuit, however, held that the use was not a violation because it fell under the Section 990(n) exemption for usage in films and television programs. In *Joplin Enterprises v. Allen*, 795 F.Supp. 349 (W.D.Wash. 1992), the court held that Section 990 applies by its language and by legal authority to the commercial use of Janis Joplin's persona in merchandise, advertising, or endorsements. 795 F.Supp. at 351. The court, however, noted that Civil Code Section 990(n) specifically excepts plays and musical compositions and therefore the plaintiff's claim under Civil Code Section 990 for the unauthorized use of Janis Joplin's identity in a play was precluded by Section 990(n). *Id.* at 351-352.

not incur any liability under Civil Code Section 990. An image of a celebrity that is of political or newsworthy value can be used without liability under the statute.[12] Petitioners can even create an original work of fine art without incurring liability to any celebrity heir. All Civil Code Section 990 reserves for the heirs of deceased celebrities is that it requires the heirs' permission to use their famous ancestors' likeness on an advertisement or on products. Petitioners want this Court to take even that limited use away from the heirs of deceased celebrities. To the extent such a limited use of a deceased celebrity's image on a product presents a First Amendment issue, the California Supreme Court recognized a First Amendment defense for the use of a deceased celebrity image on a product. The transformative use defense is workable and protects any First Amendment interest that could arise under the limited circumstances when the use of a deceased celebrity's image is actionable under Civil Code Section 990.

There is no uncertainty with respect to the right of publicity.[13] There is no conflict with respect to the right of

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[12] In *Montana v. San Jose Mercury News, Inc.*, 34 Cal.App.4th 790, 797 (1995), the California Court of Appeal held that the reproduction and sale of posters bearing the image of football star Joe Montana was exempted from liability under Section 3344 of the Civil Code because the posters contained images of a newsworthy event: Joe Montana leading his team to an unprecedented series of four Super Bowl championships in a single decade.

[13] The right of publicity has generated much discussion in academic treatises and in the courts. For a discussion of the right of publicity, see McCarthy, *The Rights of Publicity and Privacy* (1987), Clark Boardman Callaghan; McCarthy, *The*

publicity between the Ninth Circuit Court of Appeals and the California Supreme Court's opinion. The latest opinion of the Ninth Circuit dealing with the right of publicity, *George Downing, et al. v. Abercrombie & Fitch*, 2001 DJ DAR 9963 (9th Cir., March 7, 2001) (reproduced in Appendix herein), clearly holds that the First Amendment is not offended by the California right of publicity statute. The *Downing* court also held the right of publicity is not preempted by the Federal Copyright Act.[14] There is also no conflict between the California Supreme Court opinion and any opinion of this Court.

There may be a case where it is appropriate for this Court to determine the outer limits of the right of publicity, but this is not the case. There are many cases both federal and state that have examined the right of publicity.[15] The right of publicity is a property right that has

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Human Persona as Commercial Property: The Right of Publicity, 19 Colum.-VLA, J.L.& Arts 129 (1995).

[14] Petitioners' imply in their brief that there is a copyright issue in this matter. The Copyright Act and the issue of preemption has never been an issue in this case. In any event, the opinion in *George Downing, et al. v. Abercrombie & Fitch*, supra, puts that issue to rest. Most courts that have considered the issue of the alleged preemption of the right of publicity by the Copyright Act have rejected such a contention. See, *Brown v. Ames*, 201 F.3d 564, 661 (5th Cir. 2000); *KNB Enterprises v. Matthews*, 78 Cal.App.4th 362 (2000), cited in *George Downing, et al.*, supra (App. 13-14.) See also, *Factors Etc., Inc. v. Pro Arts, Inc.*, 496 F.Supp. 1090 (S.D.N.Y. 1980).

[15] The term "right of publicity" was first coined by Judge Frank in *Haelen Laboratories Inc. v. Topps Chewing, Inc.*, 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953). The right of publicity has since become widely recognized as a *property* right. McCarthy, Thomas J., *McCarthy On Trademarks And Unfair*

long been recognized, is well understood, and if this property right had any fundamental First Amendment infirmity as argued by Petitioners herein it is unthinkable that some court would not have recognized such an infirmity prior to this time. No court has ever held that the right of publicity was completely precluded by the First Amendment. Only a handful of the many commentators who have written on the subject have suggested the complete elimination of the right of publicity. Many of even the most ardent critics of the right of publicity have

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Competition §§28:1, 28:4 and 28:16 (4th ed. 1998). Former Chief Justice Bird of the California Supreme Court described the right of publicity as follows:

> Today, it is commonplace for individuals to promote or advertise commercial services and products or, as, in the present case, even have their identities infused in the products. . . . When a product's promoter determines that the commercial use of a particular person will be advantageous, the promoter is often willing to pay handsomely for the privilege. As a result, the sale of one's persona in connection with the promotion of commercial products has unquestionably become big business. [citations.] Such commercial use of an individual's identity is intended to increase the value or sales of the product by fusing the celebrity's identity with the product and thereby siphoning some of the publicity value or goodwill in the celebrity's persona into the product. . . . An unauthorized commercial appropriation of one's identity converts the potential economic value in that identity to another's advantage. The user is enriched, reaping one of the benefits of the celebrity's investment in himself. [citations.] *Lugosi v. Universal Pictures*, 25 Cal.3d 813, 834-835 (1979) (Bird C.J., dissenting.)

concluded that the type of merchandise sold by Petitioners could be subject to the right of publicity.[16]

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[16] One author concerned about how far the right of publicity should go and certainly no friend of the right of publicity characterized a use of a celebrity's image such as that involved in this case as the "no frills" right of publicity. According to this author, a "no frills" right of publicity occurs when a celebrity's name or likeness is used commercially without consent. The author concluded that the "no frills" use is not protected by the First Amendment and should be actionable. Langvardlt, supra, 45 U.Kan.L.Rev. 329 (1997). Even this author, a harsh critic of the right of publicity, has admitted that a use such as that before this Court would not violate the First Amendment. The author of this law review article criticizes the Ninth Circuit's decision in *White v. Samsung Electronics, Inc.*, 971 F.2d 1395 (9th Cir. 1992), wherein Vanna White sued an electronics manufacturer for using a robot to turn letters in the same fashion that Vanna White turns letters on the Wheel of Fortune television show in order to advertise electronic products. The author argues the Ninth Circuit should have adopted a commercial speech analysis based upon this Court's decision in *Central Hudson Gas & Electric Corp. v. Public Service Comm'n*, 447 U.S. 557 (1980). While the author believes that the Ninth Circuit's decision in *White* does not stand up to such analysis, he does conclude that a right of publicity "essentially restricted to name, likeness, and personal attributes . . . would furnish meaningful protection to celebrities without risking the First Amendment problems created [by the *White* decision]." 45 U. Kan.L.Rev. at p. 439.

I.

THERE IS NO CONFLICT BETWEEN THE CALIFORNIA SUPREME COURT OPINION AND ANY RULE ANNOUNCED AND APPLIED BY THE NINTH CIRCUIT COURT OF APPEALS.

The thrust of Petitioners' argument as to why this court should grant a writ of certiorari is an alleged conflict between the California Supreme Court's opinion and the recent decision of the United States Court of Appeals for the Ninth Circuit in *Hoffman v. Capital Cities/ABC Inc.*, 255 F.3d 1180 (9th Cir., July 6, 2001). The most recent statement of the Ninth Circuit on the right of publicity, however, can be found in a decision entitled *George Downing, et al. v. Abercrombie & Fitch*, supra.[17] The Ninth Circuit in *Downing* had no trouble finding that there was no constitutional infirmity with the California statutory remedy for commercial misappropriation of the right of publicity of living celebrities found in California Civil Code Section 3344. The same reasoning applies to the right of publicity for deceased celebrities codified in Civil Code Section 990.

It should be noted at this point that Petitioners have never and still have not articulated exactly what the First Amendment interest is with respect to the merchandise that Petitioners' claim should be protected. In the *Downing* case the First Amendment argument was that the photographs the defendants wanted to use in their catalog illustrated an article about surfing, a matter in the public interest. Defendant, Abercrombie & Fitch, relied

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[17] The advance sheet opinion published in the *Los Angeles Daily Journal* is reproduced in Appendix herein.

upon the California Appellate opinion in *Dora v. Frontline Video, Inc.*, 15 Cal.App.4th 536 (1993), wherein the California Court of Appeal held that a documentary video on the subject of surfing was about a matter of public interest and therefore the video was protected from liability under the right of publicity by the First Amendment. The Ninth Circuit in *Downing* considered that defense and held:

> In the current action, there is a tenuous relationship between Appellants' photograph and the theme presented. Abercrombie used Appellants' photograph essentially as window dressing to advance the catalog's surftheme(sic). The catalog did not explain that Appellants were legends of the sport and did not in any way connect appellants with the story proceeding it. In fact, the catalog incorrectly identifies where and when the photograph was taken. We conclude that the illustrative use of Appellants' photograph does not contribute significantly to a matter of the public interest and that Abercrombie cannot avail itself of the First Amendment defense. [footnote omitted.] (App. 9-10.)

The *Downing* court distinguished the Ninth Circuit opinion in *Hoffman v. L.A. Magazine* as follows:

> This case is also distinguishable from *Hoffman v. L.A. Magazine* (citation) in which the defendant magazine successfully asserted a First Amendment defense to Dustin Hoffman's claim of misappropriation. In that case, L.A. Magazine used a digitally altered picture of Hoffman as 'Tootsie,' in a current designer dress to illustrate its 'grand illusions' article. We concluded that such

> use was noncommercial speech entitled to full First Amendment protection. [citation.] In contrast to the present case, where Abercrombie, itself, used Appellants' images in its catalog to promote its clothing, L.A. Magazine was unconnected to and achieved no consideration from the designer for the gown depicted in the article. [citation.] Further, while L.A. Magazine merely referenced a shopping guide buried in the back of the magazine that provided stores and prices for the gown [citation] Abercrombie placed the Appellants' photograph on the page immediately proceeding the 'Final Heat Tees' for sale. Based on these factors, we conclude that Abercrombie's use was much more commercial in nature and, therefore, not entitled to the full First Amendment protection accorded to L.A. Magazine's use of Hoffman's image. [citation.] (App. 10.)

Were this matter to have been litigated in the federal courts in California, the Ninth Circuit undoubtedly would have followed the rationale of the *Downing* opinion. Petitioners placed the images of deceased celebrities on products in the same manner that the defendants in the *Downing* case used the images of living celebrities in a catalog. Both are clearly the same type of commercial speech, and the Ninth Circuit undoubtedly would have decided this matter the same as it did in *Downing* and conclude that Petitioners' merchandise was not entitled to full First Amendment protection.[18]

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[18] Petitioners also rely heavily upon the opinion in *Cardtoons, L.C. v. Major League Baseball Players Assn.*, 95 F.3d 959 (10th Cir. 1996). That case simply held that a parody defense was available to a defendant in a case arising out of an

II.

THE OPINION OF THE CALIFORNIA SUPREME COURT DOES NOT CONFLICT WITH ANY OPINION OF THIS COURT.

Petitioners contend that the California Supreme Court's opinion conflicts with this Court's recent opinion in *Bartnicki v. Vopper,* 121 S.Ct. 1753 (2001). There is no conflict. The constitutional question before this Court in *Bartnicki* was the validity of a federal statute providing for civil remedies for interception of private cell phone communications. It was submitted that the interception was intentional and therefore unlawful and the disclosure of intercepted communications to the media as well as the subsequent disclosure by the media defendants violated federal as well as similar state statutes. Violation of those federal and state statutes allowed the Petitioners therein to recover damages from each of the respondents. The only question before this Court was whether or not the application of those statutes in such circumstances violated the First Amendment. It should be noted that any newspaper story about a deceased celebrity would be excluded from liability under Civil Code Section

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Oklahoma right of publicity statute. The court extensively analyzed the nature of the products at issue and came to a very fact-intensive conclusion. There is nothing in the facts of this matter that even suggest Petitioners were attempting a parody of The Three Stooges. How would one parody The Three Stooges? There is nothing in the California Supreme Court's opinion in this matter that rules out a parody defense in an appropriate case. Thus, the *Cardtoons, L.C. v. Major League Baseball Players Assn.* opinion has no relevance to any issue in this matter.

990(n)(1). That being the case, it is difficult to understand the relevance of this Court's holding in *Bartnicki* to any issue in this matter. To quote the Petition: "The Court concluded that '[I]n this case, privacy concerns give way when balanced against the interest in publishing matters of public importance.' " (Petitioners' Brief at p. 18, citing 121 S.Ct. at 1765.) Petitioners do not and never have articulated what the public importance is in Petitioners' placing of charcoal drawings of Moe, Larry and Curly on T-shirts and posters. Once again, Respondents are left to guess as to the nature of the alleged First Amendment interest claimed by Petitioners to be at stake.

Petitioners are incorrect when they state that the right of publicity does not have constitutional stature. (Petitioners' Brief at p. 19.) The right of publicity arose out of an individual's privacy interests,[19] and the *Bartnicki* opinion itself discusses the constitutional stature of such interests. The concurring opinions of Justices Breyer and O'Connor in *Bartnicki* recognize the constitutional implications of privacy rights. "As a general matter, despite the statute's direct restrictions on speech, the Federal Constitution must tolerate laws of this kind because of these privacy and speech-related objectives." 121 S.Ct. at 1767. The *Bartnicki* opinion recognizes that the protection of a person's property and of his very life is left largely to the law of the individual states. "Rather than broadly forbid this kind of legislative enactment, the Constitution demands legislative efforts to tailor the laws

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[19] See, e.g., *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215 (2d Cir. 1978), wherein the court analyzed the right of publicity as a species of the right of privacy. 579 F.2d at 220.

in order reasonably to reconcile media freedom with personal, speech related privacy." 121 S.Ct. at 1767.

The California statute meets the requirement of such legislative effort. California Civil Code Section 990 exempts virtually all uses of a deceased celebrity's image that could offend the First Amendment.[20] In the limited use of a deceased celebrity's image that is actionable, the California Supreme Court has recognized a workable test to protect any First Amendment issue that could arise.

The First Amendment is not a license to trammel on legally recognized property rights and rights in intellectual property. *Dallas Cowboys Cheerleaders, Inc. v. Scoreboard Posters, Inc.*, 600 F.2d 1184, 1188 (5th Cir. 1979) (citing *Zacchini v. Scripps Howard Broadcasting Co.*, 433 U.S. 562, 577 n.13 (1977). This court has already expressly

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[20] The statutory exceptions to Civil Code Section 990 are broader than necessary to protect the First Amendment. In *Robyn Astaire v. Best Film & Video*, 116 F.3d at 1297, amended by 136 F.3d 1208, *cert. denied*, 119 S.Ct. 161, the court held that the California Legislature attempted to adopt a broader exemption for certain uses of a celebrity's image than was necessary under the First Amendment. A review of the statutory language indicates it closely follows the language of Chief Justice Bird's concurrence in *Guglielmi v. Spelling-Goldberg Productions*, 25 Cal.3d 860 (1979), in which Justice Bird discussed the types of speech which may not constitutionally be abridged by state regulation of publicity rights. 25 Cal.3d at 865-870. Furthermore, the legislative history indicates that after receiving a letter from Senator Campbell, the author of SB 613, explaining the constitutional protections afforded by SB 613 with respect to Section 3344 and 990 of the Civil Code, even the ACLU confirmed that there were no infringements in SB 613 upon the First Amendment guarantee of free speech. [J.A. 898-899, 914, 915.]

held that the First Amendment to the Constitution does not bar state regulation of publicity rights. *Zacchini v. Scripps Howard Broadcasting Co.*, 433 U.S. 562 (1977). Although Petitioners attempt to limit the holding in *Zacchini*, the law and rationale of *Zacchini* has been applied in virtually every subsequent right of publicity case in which a First Amendment defense was raised.[21] This Court held in *Zacchini* that the states' interests in permitting the right of publicity is closely analogous to the goals of patent and copyright law. 433 U.S. at 573 & 576-577. This Court explained that state protection of the right of publicity rests in both the desire to compensate the performer for the time and investment in the act, as well as the desire to provide an economic incentive for the performer to make the investment in his performance. The potential for conflict with the First Amendment is certainly not unique to the right of publicity. While the First Amendment's guarantee of free speech has been hailed as the hallmark of a free society, it is not without its limits. Contrary to Petitioners' argument, not all restrictions on speech violate the Constitution. Were all speech immune from content-based restrictions, the libel, copyright, trademark, obscenity, perjury and false advertising laws

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[21] See, e.g., *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215 (2d Cir. 1978), *cert. denied*, 440 U.S. 908, and on remand, *Factors Etc., Inc. v. Pro Arts, Inc.*, 496 F.Supp. 1090, 1100 (S.D.N.Y. 1980); *Factors Etc., Inc. v. Creative Card Co.*, 444 F.Supp. 279, 283 (S.D.N.Y. 1977); and *Winterland Concessions Co. v. Sileo*, 528 F.Supp. 1201, 1213 (N.D. Ill. 1981).

would all be unconstitutional. Clearly, this is not the case.[22]

Petitioners suggest that this Court should apply a strict scrutiny test to the California Legislature's enactment of Civil Code Section 990. What Petitioners do not discuss is why strict scrutiny would therefore not be appropriate to any law protecting property that in some way affects a person's ability to say or create something such as the law of copyright and trademark. The right of publicity is a property right, which the State of California has an obligation under the Due Process Clause of the Federal Constitution to protect. There is nothing in any opinion of this Court including *Bartnicki v. Vopper*, supra, which conflicts with that basic obligation of the State of California.

III.

CELEBRITIES AND CELEBRITIES' HEIRS HAVE CONSTITUTIONAL RIGHTS AS WELL AS PETITIONERS.

California law provides for both common law and statutory publicity rights. *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992); Cal.Civ. Code §§990 and 3344.[23] The

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[22] The short answer to the Petitioners' absolutist approach to the meaning of the First Amendment [that all speech is immune from liability under the First Amendment] is that it is simply not the law. This Court has held that the copyright laws, which place significant restrictions on copying the speech of others, are a valid restriction of speech. See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters*, 471 U.S. 539 (1985).

[23] Civil Code Section 990 defines the right of publicity generally as the right to the celebrity name, photograph,

Legislative History of Section 990, which provides for the descendible right of publicity, explains the purpose of the legislation:

> California has traditionally encouraged the entertainment industry and other areas of personal achievement. The promotion of such industries has resulted in California's status as the principal location of the entertainment industry in the United States and the state of residence of many prominent entertainers. Because of this, California has derived substantial economic benefits and prestige, which accrue to all Californians. To continue to encourage and perpetuate the entertainment industry in California, this state should continue to be a leader in protecting the rights of individuals, including the publicity rights of its residents. [J.A. 835-836.]

As the right of publicity is a property right belonging to celebrities and their heirs, if the State of California were to fail to provide these property owners with a legal remedy for the unauthorized taking of their property such a lack of action by the state would deprive the property owners of due process of law.

"The right of publicity is the inherent right of every human being to control the commercial use of his or her identity."[24] It is truly unbelievable that any person could

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likeness, voice and signature for merchandising and advertising purposes. Cal.Civ. Code Section 990(a).

[24] 4 McCarthy, *McCarthy On Trademarks And Unfair Competition*, Section 28:1, p. 28-3. "The right of publicity is property, and is properly recognized as a form of intellectual

question such a self-evident proposition.[25] To the extent someone disagrees with the political philosophy upon which the above proposition is based and advocates the collectivization of intellectual property, that is not a debate that should be brought before this Court. Such a debate belongs in the arena of politics. The right of publicity has been recognized by courts and commentators for decades, and the codification of the right of publicity which descends to the heirs of deceased celebrities contained in Civil Code Section 990 is a legitimate, and indeed, a required act of the California legislature to protect the property rights of the heirs of deceased celebrities.[26]

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property." "This legal right is infringed by unpermitted use which is not immunized by principles of free speech and free press." *Id.*

[25] "[T]here is something wrong, a manifest 'unfairness,' when one person seeks to trade on the personality of another. The right of publicity is the means to address and ameliorate that wrong." Halpern, *The Right of Publicity: Maturation of an Independent Right Protecting the Associative Value of Personality*, 46 Hastings L.J. 853, 873, March 1995.

[26] Petitioners attempt to create a false issue by discussing the descendibility feature of Civil Code Section 990. There is nothing about the act of the California Legislature in codifying such a right that requires the attention of this Court. Any argument that intellectual property rights should die with the author would apply to the law of copyright, patent, and even trademark as well as the right of publicity.

IV.

PETITIONERS WERE SELLING THE FAME OF THE THREE STOOGES AND NOT ANYTHING CREATED BY PETITIONERS.

In an attempt to create a constitutional issue, Petitioners insist upon characterizing themselves as artists selling "portraits" or "visual art". There is nothing in the record to support that characterization. There is not one shred of evidence to even suggest that anyone bought anything from Petitioners because of the artist who drew the charcoal drawings. This question in Respondent's view is the essence of the right of publicity: What is being sold? The California Supreme Court opinion talks about Andy Warhol paintings. Is the product an Andy Warhol painting of Marilyn Monroe or Marilyn Monroe drawn by Andy Warhol? Does it matter who draws Marilyn Monroe? If the artist is more important than the subject, there may be no issue of the right of publicity. The California Supreme Court uses Andy Warhol as an example of an artist who "was able to convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself." (Petitioners' Appendix at A-31.) The California Supreme Court expressly stated that this analysis was useful in determining wether or not a work is sufficiently transformative.

> [D]oes the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted? If this question is answered in the negative, then there would generally be no actionable right of publicity. When the value of the work comes principally from

> some source other than the fame of the celebrity – from the creativity, skill, and reputation of the artist – it may be presumed that sufficient transformative elements are present to warrant First Amendment protection. If the question is answered in the affirmative, however, it does not necessarily follow that the work is without First Amendment protection – it may still be a transformative work. (Petitioners' Appendix at A-29.)

These factual determinations of what is being sold and why are no more difficult to determine than any other issue that trial courts face on a daily basis. Determination of such issues does not require judges to become art critics. In the vast majority of cases the resolution of the question will be obvious. In those cases where the question requires analysis of evidence in order to resolve, the issue lends itself to the same type of objective evidence that courts rely upon to make any determination of a disputed issue. In this matter, Petitioners did not even attempt to prove that they were selling anything other than the fame and goodwill of The Three Stooges – a property right that took seventy-five years to develop. A property right that does not belong to Petitioners.

CONCLUSION

Petitioners twist the facts and the law in an attempt to make a constitutional issue where none exists. The facts are that Petitioners placed images of Moe, Larry and Curly on T-shirts and posters without permission of their heirs and sold those products at a substantial profit.

California Civil Code Section 990, which codifies the right of publicity and makes such rights descendible to the heirs of The Three Stooges prevents such unauthorized use of the economic value of the images of The Three Stooges. The First Amendment presents no obstacle to the enforcement of that property right by the State of California. There is nothing about this case that is really new, and this is not the case to test the outer limits of the right of publicity. Accordingly, the petition for writ of certiorari should be denied.

Respectfully submitted,

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TORTS

Retailer's misappropriation of plaintiffs' likenesses is not protected by First Amendment or Copyright Act.

Cite as 2001 DJDAR 9963

GEORGE DOWNING,
an individual;
PAUL STRAUCH,
an individual;
RICK STEERE,
an individual;
RICHARD BUFFALO KEAULANA,
an individual;
BEN AIPA,
an individual;
MIKE DOYLE,
an individual;
JOEY CABELL,
an individual,
Plaintiffs-Appellants,

v.

ABERCROMBIE & FITCH,
an Ohio corporation,
Defendant-Appellee.

Nos. 00-55363, 00-55834
D.C. No. CV-99-04612-MLR
United States Court of Appeals
Ninth Circuit
Filed September 13, 2001

Appeal from the United States District Court
for the Central District of California

Manuel L. Real,
District Judge, Presiding

Argued and Submitted March 7, 2001
Pasadena, California

Before: Procter Hug, Jr.
and Betty B. Fletcher,
Circuit Judges,

and Samuel P. King,
District Judge.*

Opinion by Judge Hug

COUNSEL

Brent H. Blakely, Manhattan Beach, California, for the appellants.

Joel McCabe Smith and David Aronoff, Leopold, Petrich & Smith, P.C., Los Angeles, California, for the appellee.

OPINION

HUG, Circuit Judge:

Appellants brought this diversity action against Abercrombie and Fitch ("Abercrombie") for publishing a photograph of them, with identification of their names, for Abercrombie's commercial benefit without the Appellants' authorization. They allege a violation of California's common law and statutory prohibition against misappropriation of a person's name and likeness for commercial purposes, a violation of the Lanham Act for confusion and deception indicating sponsorship of

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* Honorable Samuel P. King, Senior United States District Judge, sitting by designation.

Abercrombie goods, and a claim for negligence and defamation. The district court entered summary judgment for Abercrombie, holding that their California state claims were foreclosed because Abercrombie's use of the photograph was protected by the First Amendment, and those claims were also preempted by the federal Copyright Act; that Hawaii law was the proper choice of law for some of these claims; that the Lanham Act claim was precluded by the First Amendment and it was also precluded by the nominative fair use doctrine; and that there was insufficient evidence to sustain the negligence or defamation claims. The district court had jurisdiction under 28 U.S.C. § 1332, and we have appellate jurisdiction under 28 U.S.C. § 1291. We reverse the grant of summary judgment and remand for trial.

BACKGROUND

I. Factual Background

Abercrombie is an outfitter catering to young people. The upscale retailer sells casual apparel for men and women, including shirts, khakis, jeans, and outerwear. In addition to sales in approximately 200 stores nationwide, Abercrombie also sells merchandise through its subscription catalog, the "Abercrombie and Fitch Quarterly" ("Quarterly").

The Quarterly is Abercrombie's largest advertising vehicle. It accounts for approximately 80% of Abercrombie's overall advertising budget. The primary purpose of the Quarterly is to build brand awareness and increase sales. Each issue is over 250 pages in length and embraces a theme such as collegiate lifestyle, back to school, or

winter wear. The Quarterly contains photographs of models wearing Abercrombie's garments as well as pictures of the clothing displayed for sale. In addition, approximately one-quarter of each issue is devoted to stories, news and other editorial pieces.

In 1998, Michael Jeffries, Abercrombie's CEO, developed a surfing theme for the upcoming Quarterly. Abercrombie held the photo shoot for the upcoming issue at San Onofre Beach, California. While at the photo shoot, Abercrombie employees Sam Shahid and Savas Abadsidis looked through a compilation of surfing photographs by surf photographer LeRoy Grannis. The photo book contained a picture of Appellants which Grannis had taken at the 1965 Makaha International Surf Championship in Hawaii. Sam Shahid purchased the photograph, along with three other photographs from the book, for $100 each. LeRoy Grannis then handwrote the names of Appellants at the bottom of the photograph.

Subsequently, Sam Shahid showed Appellants' photograph to Jeffries who decided to use the photograph in the upcoming Quarterly. Abercrombie did not obtain Appellants' permission. Jeffries also decided to create t-shirts, exactly like those worn by the Appellants in the photograph, for sale in the upcoming issue. Abercrombie labeled the t-shirts "Final Heat Tees." The t-shirts were advertised for sale in the Quarterly.

The Spring 1999 Quarterly, "Spring Fever," contains a section entitled "Surf Nekkid." The "Surf Nekkid" section includes an article recounting the history of surfing. Abercrombie also included a 700-word story, entitled "Your Beach Should Be This Cool," describing the history

of Old Man's Beach at San Onofre, California. The following page exhibits the photograph of Appellants. The two pages immediately thereafter feature the "Final Heat Tees."

The "Spring Fever" issue contains other articles about the surfing lifestyle. An article entitled "Beachcombing" documents the efforts of the Surfrider Foundation, an ecological group founded by surfers. Still another article entitled "Where the Wild Things Are," written by the editor of Surfer Magazine, describes various surfer "types." Also contained in the issue is an interview of Nat Young, former world surfing champion and the first professional surfer. The interview is accompanied by photographs of Young and his son wearing Abercrombie clothing.

II. Procedural History

On April 28, 1999, Appellants George Downing, Paul Strauch, Rick Steere, Richard Buffalo Keaulana, and Ben Aipa filed a complaint in the United States District Court for the Central District of California. Appellants later amended the complaint to add Joey Cabell and Mike Doyle. Appellants alleged that Abercrombie misappropriated their names and likenesses in violation of California's statutory and common law protections against commercial misappropriation, that the publication of the photograph in the catalog violated the Lanham Act and they alleged claims for negligence and defamation. Subsequently, Appellants and Abercrombie both filed motions for summary judgment. The district court entered summary judgment for Abercrombie. Appellants

timely appealed. Abercrombie then filed a motion for attorneys' fees and other expenses. The district court granted the motion, awarding Abercrombie approximately one-fourth of the attorneys' fees that it sought. Appellants timely filed a notice of appeal from that order. We consolidated the two appeals.

On appeal, Appellants contend: (1) Abercrombie's use of the photograph is not protected under the First Amendment; (2) the state law publicity claims are not preempted by the Copyright Act; (3) California law is the proper choice of law for the claim under California Civil Code § 3344; (4) triable issues of fact exist with regard to the Lanham Act claims; (5) triable issues of fact exist with regard to the defamation claim; (6) the district court erred in denying the motion for a continuance; (7) the district court erred in awarding attorneys' fees and costs to Abercrombie.[1]

STANDARD OF REVIEW

The district court's grant of summary judgment is reviewed de novo. *Botosan v. Paul McNally Realty*, 216 F.3d 827, 830 (9th Cir. 2000). We must determine, viewing the evidence in the light most favorable to the nonmoving party, whether there are any genuine issues of material fact and whether the district court correctly applied the relevant substantive law. *Lopez v. Smith*, 203 F.3d 1122, 1131 (9th Cir. 2000) (en banc).

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[1] The Appellants do not appeal the summary judgment on their negligence claim.

ANALYSIS

I. First Amendment and Right of Publicity Claims

The district court concluded that Abercrombie's use of the photograph containing Appellants' names and likenesses was proper because it constituted expression protected under the First Amendment. We disagree.

California has long recognized a common law right of privacy for protection of a person's name and likeness against appropriation by others for their advantage. *See Eastwood v. Superior Court*, 149 Cal. App. 3d 409, 416 (Ct. App. 1983). To sustain a common law cause of action for commercial misappropriation, a plaintiff must prove: "(1) the defendant's use of the plaintiff's identity; (2) the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise; (3) lack of consent; and (4) resulting injury." *Id.* at 417.

In addition to the common law cause of action, California has provided a statutory remedy for commercial misappropriation under California Civil Code § 3344. The remedies provided for under California Civil Code § 3344 complement the common law cause of action; they do not replace or codify the common law. *See Newcombe v. Adolf Coors Co.*, 157 F.3d 686, 691-92 (9th Cir. 1998). Section 3344 provides in relevant part, "any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner . . . for purposes of advertising . . . without such person's prior consent . . . shall be liable for any damages sustained by the person." Cal. Civ. Code § 3344(a). Under section 3344, a plaintiff must prove all the elements of the common law cause of action. In addition, the plaintiff must allege a knowing use by the

defendant as well as a direct connection between the alleged use and the commercial purpose. *See Eastwood,* 149 Cal. App. 3d at 417.

Under both the common law cause of action and the statutory cause of action "no cause of action will lie for the publication of matters in the public interest, which rests on the right of the public to know and the freedom of the press to tell it." *Montana v. San Jose Mercury News, Inc.*, 34 Cal. App. 4th 790, 793 (Ct. App. 1995). This First Amendment defense extends "to almost all reporting of recent events," as well as to publications about "people who, by their accomplishments, mode of living, professional standing or calling, create a legitimate and widespread attention to their activities." *Eastwood,* 149 Cal. App. 3d at 422. However, the defense is not absolute; we must find "a proper accommodation between [the] competing concerns" of freedom of speech and the right of publicity. *Id.*

In the instant case, Abercrombie defends on the basis of the First Amendment arguing that the photograph illustrates an article about surfing, a matter in the public interest. To support its defense, Abercrombie relies on *Dora v. Frontline Video, Inc.*, 15 Cal. App. 4th 536 (Ct. App. 1993). In *Dora,* the court held that a surfing documentary was in the public interest because it was "about a certain time and place in California history and, indeed, in American legend." *Id.* at 543. *Dora* involved a surfing legend, Mickey Dora, who sued the producer of a video documentary on surfing claiming common law and statutory appropriation of his name and likeness. *See id.* at 540. The trial court entered summary judgment for the film's producer and the California Court of Appeal affirmed.

See id. In addressing the First Amendment issue, the court found that the documentary was about a matter of public interest, specifically surfing, and, therefore, the producer was protected by the defense. *See id.* at 544. In so concluding the court stated:

> surfing is of more than passing interest to some. It has created a life-style that influences speech, behavior, dress, and entertainment, among other things. A phenomenon of such scope has an economic impact, because it affects purchases, travel, and the housing market. Surfing has also had a significant influence on the popular culture, and in that way touches many people. It would be difficult to conclude that a surfing documentary does not fall within the category of public affairs.

Id. at 546.

Although the theme of Abercrombie's catalog was surfing and surf culture, a matter of public interest, the use of Appellants' names and pictures is quite different from that involved in the *Dora* case. In *Dora*, Mickey Dora's contribution to the development of the surf lifestyle and his influence on the sport was "the point of the program." *Id.* at 543. Dora was depicted in the documentary because his identity directly contributed to the story about surfing which came within the protected public interest.

In the current action, there is a tenuous relationship between Appellants' photograph and the theme presented. Abercrombie used Appellants' photograph essentially as window-dressing to advance the catalog's surf-theme. The catalog did not explain that Appellants were

legends of the sport and did not in any way connect Appellants with the story preceding it. In fact, the catalog incorrectly identifies where and when the photograph was taken. We conclude that the illustrative use of Appellants' photograph does not contribute significantly to a matter of the public interest and that Abercrombie cannot avail itself of the First Amendment defense.[2] Accordingly, we reverse the district court's grant of summary judgment in favor of Abercrombie.

II. Federal Copyright Preemption

Abercrombie contends that its right to reproduce and publish the photograph of the Appellants is governed by

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[2] This case is also distinguishable from *Hoffman v. L.A. Magazine*, Nos. 99-55363, 99-55686, slip op. at 8591 (9th Cir. July 6, 2001), in which the defendant magazine successfully asserted a First Amendment defense to Dustin Hoffman's claim of misappropriation. In that case, L.A. Magazine used a digitally-altered picture of Hoffman, as "Tootsie," in a current designer dress to illustrate its "Grand Illusions" article. We concluded that such use was noncommercial speech entitled to full First Amendment protection. *Id.* at 8600. In contrast to the present case, where Abercrombie, itself, used Appellants' images in its catalog to promote its clothing, L.A. Magazine was unconnected to and received no consideration from the designer for the gown depicted in the article. *Id.* at 8559. Further, while L.A. Magazine merely referenced a shopping guide buried in the back of the magazine that provided stores and prices for the gown, *id.*, Abercrombie placed the Appellants' photograph on the page immediately preceding the "Final Heat Tees" for sale. Based on these factors, we conclude that Abercrombie's use was much more commercial in nature and, therefore, not entitled to the full First Amendment protection accorded to L.A. Magazine's use of Hoffman's image. *Id.* at 8601.

the federal Copyright Act, 17 U.S.C. §§ 101-1101, and that Appellants' state law claims are preempted by federal copyright law.

> "[W]hen acting within constitutional limits, Congress is empowered to pre-empt state law by so stating in express terms." *California Fed. Sav. & Loan Ass'n v. Guerra*, 479 U.S. 272, 280 (1987). Under 17 U.S.C. § 301, States are expressly prohibited from legislating in the area of copyright law.[3] In order for preemption to occur under the federal Copyright Act, two conditions must be satisfied. First, the content of the protected right must fall within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103. Second, the right asserted under state law must be equivalent to the exclusive rights contained in section 106 of the Copyright Act. *See Del Madera Properties v. Rhodes & Gardner, Inc.*, 820 F.2d 973, 976 (9th Cir. 1987) (overruled on other grounds).

The subject matter protected by the Copyright Act is set forth in 17 U.S.C. § 102, which provides in relevant part as follows:

> Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression, now known or later

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[3] Section 301(a) of 17 U.S.C. preempts: all legal or equitable rights that are the equivalent to any of the exclusive rights within the general scope of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

> developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include . . . pictorial, graphic, and sculptural works.

Section 103 provides that the subject matter specified in § 102 also includes compilations and derivative works, "but the copyright in a compilation or derivative work extends only to the material contributed by the author of such works as distinguished from the preexisting material employed in the work." Section 106 gives the copyright holder exclusive rights to copy the copyrighted work or derivatives and to distribute it to the public.

The photograph itself, as a pictorial work of authorship, is subject matter protected by the Copyright Act. *See* 17 U.S.C. § 101 (providing that "pictorial, graphic, and sculptural works include . . . photographs.") However, it is not the publication of the photograph itself, as a creative work of authorship, that is the basis for Appellants' claims, but rather, it is the use of the Appellants' likenesses and their names pictured in the published photograph. The Nimmer treatise on copyright law states:

> [T]he "work" that is the subject matter of the right of publicity is the persona, i.e., the name and likeness of a celebrity or other individual. A persona can hardly be said to constitute a "writing" of an "author" within the meaning of the copyright clause of the Constitution. A fortiori it is not a "work of authorship" under the Act. Such name or likeness does not become a work of authorship simply because it is embodied in a copyrightable work such as a photograph.

1 Nimmer on Copyright § 1.01[B][1][c] at 1-23 (1999). The same point is made in McCarthy's Treatise on Right of Publicity and Privacy:

> The "subject matter" of a Right of Publicity claim is not a particular picture or photograph of plaintiff. Rather, what is protected by the Right of Publicity is the very identity or persona of the plaintiff as a human being . . . While copyright in a given photograph may be owned by the person depicted in it, the exact image in that photograph is not the underlying "right" asserted in a Right of Publicity case. To argue that the photograph is identical with the person is to confuse illusion and illustration with reality. Thus, assertion of infringement of the Right of Publicity because of defendant's unpermitted commercial use of a picture of plaintiff is not assertion of infringement of copyrightable "subject matter" in one photograph of plaintiff.

McCarthy, *Rights of Publicity and Privacy* § 11.13[C] at 11-72-73 (1997).

A recent case in the Fifth Circuit held that the Texas tort of misappropriation, which provides protection from the unauthorized appropriation of one's name, image, or likeness was not preempted by the Copyright Act. *See Brown v. Ames*, 201 F.3d 654, 661 (5th Cir. 2000). The case involved a record company's misappropriation of the names and likenesses of individual musicians, song writers, and music producers on the company's CD's, tapes, catalogs, and posters. *See id.* at 656-57. The court stated that "the tort of misappropriation of a name or likeness protects a person's persona. A persona does not fall within the subject matter of copyright." *Id.* at 658.

Thus, the court held that § 301 preemption does not apply.

A similar result was reached in a case decided by a California Court of Appeal, *KNB Enterprises v. Matthews*, 78 Cal. App. 4th 362 (Ct. App. 2000). The California Court of Appeal held that the state law right of publicity claims were not preempted by the Copyright Act. *See id.* at 374-75. The copyright owner of erotic photographs, which had been displayed without authorization and for profit on an Internet website, brought suit against the website's operator asserting a misappropriation claim under California Civil Code § 3344. *See id.* at 365-66. The court applied the two-part test for determining preemption and found that neither condition had been met. *See id.* at 374. The court found that "because a human likeness is not copyrightable, even if captured in a copyrighted photograph, the models' section 3344 claims against the unauthorized publisher of their photographs are not the equivalent of a copyright infringement claim and are not preempted by federal copyright law." *Id.* at 365.

We agree with the approach taken by the Fifth Circuit and the reasoning employed in *KNB Enterprises*. The subject matter of Appellants' statutory and common law right of publicity claims is their names and likenesses. *See Newcombe*, 157 F.3d at 691. A person's name or likeness is not a work of authorship within the meaning of 17 U.S.C. § 102. This is true notwithstanding the fact that Appellants' names and likenesses are embodied in a copyrightable photograph. The same concept is specifically embodied in 17 U.S.C. § 103, which provides that the

copyright in derivative works extends only to the material contributed by the author as distinguished from pre-existing material employed in the work.[4]

The second requirement for copyright preemption as noted above is that the right asserted under state law must be equivalent to the exclusive rights contained in § 106 of the Copyright Act. This requirement also is not met. Because the subject matter of the Appellants' statutory and common law right of publicity claims is their names and likenesses, which are not copyrightable, the claims are not equivalent to the exclusive rights contained in § 106.

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[4] Abercrombie relies on the California case of *Fleet v. CBS*, 50 Cal. App. 4th 1911 (Ct. App. 1996). This case was distinguished by both the Fifth Circuit in *Brown*, 201 F.3d at 658, and the California Court of Appeals in *KNB Enterprises*, 78 Cal. App. 4th at 370-71. In *Fleet*, the plaintiffs were actors in a copyrighted film. The claims of the plaintiffs were based on their dramatic performance in a film CBS sought to distribute. The court stated: We agree that as a general proposition Civil Code section 3344 is intended to protect rights which cannot be copyrighted and that claims made under its provisions are usually not preempted. But appellants' analysis crumbles in the face of one obvious fact: their individual performances in the film White Dragon were copyrightable. Since their section 3344 claims seeks only to prevent CBS from reproducing and distributing their performances in the film, their claims must be preempted by federal copyright law.

Fleet, 50 Cal. App. 4th at 1919. This is clearly distinguishable from this case where the Appellants' claim is based on the use of their names and likenesses, which are not copyrightable.

III. Choice of Law

We review de novo a district court's decision concerning the appropriate choice of law. *Abogados v. AT&T, Inc.*, 223 F.3d 932 (9th Cir. 2000). "In reviewing the factual findings that underlie the choice of law determination, this court must apply the clearly erroneous standard." *Contact Lumber Co. v. P.T. Moges Shipping Co., Ltd.*, 918 F.2d 1446, 1450 (9th Cir. 1990).

Applying choice of law principles, the district court dismissed Appellants' statutory misappropriation claim as to the five Appellants who reside in Hawaii: George Downing, Rick Steere, Richard Keaulana, Ben Aipa, and Joey Cabell. We conclude that the district court erred in dismissing these claims.

In a diversity case, "federal courts apply the substantive law of the forum in which the court is located, including the forum's choice of law rules." *Insurance Co. of North Am. v. Federal Express Corp.*, 189 F.3d 914, 921 (9th Cir. 1999). This action was brought in a district court in California. Therefore, we look to the choice of law rules applied in that state.

California applies a three-step "governmental interest" analysis to choice-of-law questions: (1) "the court examines the substantive laws of each jurisdiction to determine whether the laws differ as applied to the relevant transaction", (2) "if the laws do differ, the court must determine whether a true conflict' exists in that each of the relevant jurisdictions has an interest in having its law applied", and (3) "if more than one jurisdiction has a legitimate interest . . . the court [must] identify and apply the law of the state whose interest would be more

impaired if its law were not applied." *Abogados*, 223 F.3d at 934; *Liew v. Official Receiver & Liquidator*, 685 F.2d 1192, 1196 (9th Cir. 1982). Only if both states have a legitimate but conflicting interest in applying its own law will the court be confronted with a "true conflict" case. *See Insurance Co. of North Am.*, 189 F.3d at 921.

The California Supreme Court's decision in *Hurtado v. Superior Court*, 522 P.2d 666 (Cal. 1974), is the primary case setting forth California's choice of law rules and analyzing the approach to be taken in determining the interest of each jurisdiction in enforcing its own law. In that case, a wrongful death action had been brought in California, where the automobile accident causing the death had occurred. The plaintiffs were residents of Mexico and the defendants residents of California. Mexican law placed a limitation on the amount that could be received in a wrongful death action (24,334 pesos or $1,946.72) whereas California law provided no such limitation. *See id.* at 668. The California Supreme Court stated:

> generally speaking the forum will apply its own rule of decision unless a party litigant timely invokes the law of a foreign state. In such event he must demonstrate that the latter rule of decision will further the interest of the foreign state and therefore that it is an appropriate one for the forum to apply to the case before it. In the case at bench, California as the forum should apply its own measure of damages for wrongful death, unless Mexico has an interest in having its measure of damages applied.

Id. at 670 (citations omitted). In assessing the interest of California in applying its law the Court stated:

> It is manifest that one of the primary purposes of a state in creating a cause of action in the heirs for the wrongful death of the decedent is to deter the kind of conduct within its borders which wrongfully takes life. It is also abundantly clear that a cause of action for wrongful death without any limitation as to the amount of recoverable damages strengthens the deterrent aspect of the civil sanction: the sting of unlimited recovery . . . more effectively penalize(s) the culpable defendant and deter(s) it and others similarly situated from such future conduct.

Id. at 672 (internal quotations and citations omitted). The court went on to emphasize that the interest in deterrence of conduct extends to "all persons within its borders." *Id.* at 584.

With regard to the interest Mexico had in applying its law, the California Supreme Court stated that "[t]he interest of a state in a tort rule limiting damages for wrongful death is to protect defendants from excessive financial burdens or exaggerated claims. [A] state by enacting a limitation on damages is seeking to protect its residents from the imposition of these excessive financial burdens." *Id.* at 670 (citations omitted). The California Supreme Court then summarized its holding:

> To recapitulate, we hold that where as here in a California action both this state as the forum and a foreign state (or country) are potentially concerned in a question of choice of law with respect to an issue in tort and it appears that the foreign state (or country) has no interest whatsoever in having its own law applied, California as the forum should apply California law.

Id. at 671.

The California Supreme Court's ruling in the *Hurtado* tort case is directly applicable to this case. Abercrombie distributed its Spring Quarterly in California, and any misappropriation of the names and likenesses of the Appellants would have occurred there. As the court stated, one of the primary purposes of creating a cause of action in tort is to deter misconduct within its borders by persons present within its borders. By distributing its catalog within California, Abercrombie was operating within its borders.

Hawaii, on the other hand, like Mexico in *Hurtado*, had no interest in limiting the extent of relief that its residents could obtain for a wrongful act against them in California. It is even more clear in this case because Hawaii did not place any limitation on recovery; instead it simply did not provide for the extent of relief California does in this type of action. It is pure fancy to believe that Hawaii would wish to restrict its residents from recovery that others could obtain in California solely because it had not enacted a statute like California's to complement its common law action for the same offense. Hawaii had no interest in having its law applied to this action brought in California.

The California Supreme Court has made it clear that when California has an interest in enforcing its law within its borders and a foreign state (in this case Hawaii) has no interest in having its law applied, then the law of California should be applied. In this case, there is no "true conflict" of Hawaii law with California law, and thus the district court erred when it applied Hawaii law

to some claims. California law is applicable to all of Appellants' claims.

IV. Lanham Act

Appellants contend that the district court erred in denying their claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). In relevant part section 43(a)(1)(A) provides:

> [A]ny person who, or in connection with any goods or services, uses any . . . false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or deceive as to the affiliation, connection or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

In several past cases involving celebrity plaintiffs we have looked to our decision in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), for the appropriate factors to consider in determining whether there exists a likelihood of confusion. The factors enumerated in *AMF* are:

1. strength of the plaintiff's mark;
2. relatedness of the goods;
3. similarity of the marks;
4. evidence of actual confusion;
5. marketing channels used;

6. likely degree of purchaser care;

7. defendant's intent in selecting the mark; and

8. likelihood of expansion of the product lines.

AMF, 599 F.2d at 348-49.

In our celebrity cases using the *AMF* factors we have adapted these factors so as to be applicable to the celebrity cases. We noted that the term "mark" applies to the celebrity's persona, the "strength" of the mark refers to the level of recognition that the celebrity has among the segment of the public to whom the advertisement is directed, and the term "goods" concerns the reasons for or source of the celebrity's fame. *See White v. Samsung Elec. Am., Inc.*, 971 F.3d 1395, 1400-1401 (9th Cir. 1992).

It is perhaps clearer to restate the eight factors as applicable to the celebrity case, which can be stated as:

1. the level of recognition that the plaintiff has among the segment of the society for whom the defendant's product is intended;

2. the relatedness of the fame or success of the plaintiff to the defendant's product;

3. the similarity of the likeness used by the defendant to the actual plaintiff;

4. evidence of actual confusion;

5. marketing channels used;

6. likely degree of purchaser care;

7. defendant's intent on selecting the plaintiff; and

8. likelihood of expansion of the product lines.

Although these are all factors that are appropriate for consideration in determining the likelihood of confusion, they are not necessarily of equal importance, nor do they necessarily apply to every case.

"The Lanham Act's likelihood of confusion standard is predominantly factual in nature." *Wendt v. Host Int'l, Inc.* 125 F.3d 806, 812 (9th Cir. 1997). Thus, summary judgment is inappropriate when a jury could reasonably conclude that there is a likelihood of confusion. Application of the eight factors to the current action leads us to conclude that the district court erred in rejecting Appellants' Lanham Act claim at the summary judgment stage.

In applying the factors to this case we reach the following conclusions. First, in considering the recognition that the Appellants have among those persons toward whom the Abercrombie catalog is directed, Appellants cite to a declaration submitted by surf historian Steve Pezman. In the declaration, Pezman asserts that Appellants "are considered legends in the surf community and are still highly well-known and regarded." This declaration from a surf historian provides some evidence that Appellants' names and images enjoy a high level of recognition among average members of society as a whole. In addition, it is undisputed that Appellants are legendary surfers, and thus there is a reasonable inference that Appellants would be known to the young people to whom the Quarterly is directed and who would be purchasing Abercrombie's surf wear.

The second factor is the relatedness of the Appellants' fame and success to the Defendant's product.

Appellants' fame is due to their surfing success. Appellants' surfing success could be seen as closely-related to the Abercrombie's surf-related clothing.

Applying the third factor, the similarity of the likeness, to the Appellants is clear because it is an actual photograph of the Appellants with their names designated.

The fourth factor, evidence of actual confusion, also supports Appellants' position. Appellants provided declarations demonstrating that several individuals actually believed that Appellants were endorsing Abercrombie merchandise.

Under the fifth factor, marketing channels used, the catalog was the only marketing channel. It is therefore the likelihood of confusion in that marketing channel that is at issue.

In applying the sixth factor, the inquiry is whether consumers are likely to be particularly careful in determining who endorses the Abercrombie surf apparel, making confusion as to Appellants' endorsement more likely. A jury could reasonably find that young consumers are not likely to be particularly careful when purchasing surf-related clothing.

As to the seventh factor, the relevant question is whether the Defendants intended to profit by confusing consumers concerning the endorsement of the Abercrombie apparel. A jury could reasonably find that Abercrombie intended to indicate to consumers that these legendary surfers were endorsing Abercrombie's merchandise.

The eighth factor is the likelihood of expansion of the product lines. Neither party discusses this factor, however, no evidence has been produced that Abercrombie intends to utilize these photographs in additional product lines.

Application of these factors, leads us to conclude that the district court erred in rejecting Appellants' Lanham Act claim at the summary judgment stage. Viewing the evidence in the light most favorable to Appellants, we conclude that Appellants have raised a genuine issue of material fact concerning a likelihood of confusion as to their endorsement.

V. Doctrine of Nominative Fair Use

The district court concluded that Appellants' Lanham Act claim was barred by the doctrine of nominative fair use. In support of its position that the district court was correct in concluding that Appellants' Lanham Act claim was barred, Abercrombie relies upon *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). In *New Kids*, two newspapers conducted "900" number telephone polls concerning their readers' reactions to the musical group "New Kids on the Block." The newspapers charged their readers 95 cents per minute to respond to the poll. The band, which had its own competing "900" numbers for its fans, filed Lanham Act claims against the two newspapers. *See id.* at 304-05. The district court granted summary judgment for the defendant newspapers on First Amendment grounds. *See id.* at 305. On appeal, we affirmed on a non-constitutional ground, as appropriate when the constitutional issue can be

avoided. We concluded that the newspapers' use of the band name constituted a nominative fair use. *See id.* at 309.

We found that where the defendant uses a trademark to describe the plaintiff's product rather than its own product, a commercial user is entitled to a nominative fair use defense provided the defendant meets three requirements:

> 1. the product or service in question must be one not readily identifiable without use of the trademark;
>
> 2. only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and
>
> 3. the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308. Applying the three-part test, we concluded that the newspaper was entitled to the nominative fair use defense. *See id.* at 308-309.

Abercrombie argues that its use of the photograph was nominative fair use in the same manner as the defendants' purported infringement in *New Kids*. We disagree. In *New Kids*, we stated that the test applies only "where the defendant uses a trademark to describe the plaintiff's product, rather than its own." *Id.* at 308. Here, Abercrombie used the photograph in its catalog that was intended to sell its goods. As we have noted in this case involving a celebrity endorsement claim, the mark being protected is the Appellants' names and pictures. There is a genuine issue of material fact as to whether the third criterion is

met, whether Abercrombie did nothing that would in conjunction with the Appellants' names and pictures suggest sponsorship or endorsement by the Appellants.

VI. Defamation Claim

Appellants contend they were defamed by Abercrombie's publication of the photograph in the "Surf Nekkid" section of the Quarterly. Specifically, they maintain that inclusion of their names and likenesses in a section depicting naked and scantily clothed models caused them shame and embarrassment.

Under California Civil Code § 45a, Appellants may only prevail on a libel claim if the publication is (1) libelous on its face, or (2) if special damages have been proven. *See Newcombe*, 157 F.3d at 694. A publication is libelous on its face only if there is no need to have explanatory matter introduced. *See* Cal. Civ. Code § 45a. The determination as to whether a publication is libelous on its face is one of law, and must be measured by "the effect the publication would have on the mind of the average reader." *Newcombe*, 157 F.3d at 695.

To support their argument that inclusion of the photograph was libelous on its face, Appellants provide three declarations. However, all three declarations are from lifetime surfers and leaders in the surf industry. The declarations do not provide evidence that an average person viewing the Quarterly would think it defamatory if Appellants' picture was included in a section in which nude models were shown. Thus, Appellants fail to satisfy the first requirement under California Civil Code § 45a that the publication is libelous on its face.

In order to satisfy the alternate requirement, Appellants must allege and prove that they suffered special damages as a proximate result of the publication of the photograph. *See id.* at 695. Special damages are defined as "all damages which plaintiff alleges and proves that he has suffered in respect to his property, business, trade, profession or occupation, including such amounts of money as the plaintiff alleges and proves he has expended as a result of the alleged libel, and no other." Cal. Civ. Code § 48a(4)(b). Appellants did not submit any evidence demonstrating that they incurred special damages due to Abercrombie's publication of the photograph. Thus, Appellants failed to meet either requirement under California Civil Code § 45a. Accordingly, we conclude that the district court did not err in denying the Appellants' defamation claim.

VII. Continuance

Because we reverse the summary judgment, we need not address the issue the Appellants raise concerning the district judge's denial of a continuance.

VIII. Attorneys' Fees

California Civil Code § 3344(a) mandates the award of attorneys' fees and costs to the "prevailing party" in actions brought under the section. *See Newton v. Thomason*, 22 F.3d 1455, 1464 (9th Cir. 1994). Because we reverse the judgment of the district court, the district court's award of attorneys' fees and costs to Abercrombie under California Civil Code § 3344 is vacated.

IX. Conclusion

Neither the California state law claims or the Lanham Act claim are precluded by the First Amendment; the California state claims are not preempted by the federal Copyright Act; the proper choice of law to apply to these claims is California law; there is insufficient evidence to support the defamation claim; and the attorneys' fee award is vacated.

REVERSE AND REMAND FOR TRIAL.